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Jeb Spaulding, Secretary

PRESS RELEASE

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FOR IMMEDIATE RELEASE
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**Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's
Revenue Results for May 2013 – Another Good Month Overall.**

General Fund

Secretary of Administration Jeb Spaulding released the May 2013 General Fund (GF) Revenue results today. May is the eleventh month of fiscal year (FY) 2013. General Fund revenues totaled \$72.48 million for May 2013, and were +\$5.15 million or +7.64% above the \$67.34 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$1,176.22 million, and +\$31.88 million or +2.79% ahead of the cumulative target of \$1,144.35 million.

Secretary Spaulding commented, "General Fund receipts in May were \$5.1 million above the monthly target and added to April's very strong performance. With only one month left in the fiscal year, the cumulative total above forecast is \$31.9 million. We are keeping an eye on the possibility of potential above forecast corporate refunding this month which could eat into that amount, but I think it is safe to say the State will end the year with total revenues modestly over projection. The Transportation Fund also had another good month, 3.9% above target, though this still has not overcome the \$1.0 million cumulative year to date shortfall. The Education Fund performed about 3.3% under target for the month of May and stand about 1% below the cumulative target for the year."

Current targets reflect the Fiscal Year 2013 Consensus Revenue Forecast adopted by the Emergency Board at their January 23, 2013 meeting. Statutorily, the State is required to revise the Consensus Revenue Forecast two times per year, in January and July; the Emergency Board may schedule interim revisions if deemed necessary. The July 2013 meeting is scheduled for Tuesday, July 23, 2013.

Personal Income Tax (PI) receipts are the largest single state revenue source providing approximately 48% of total GF revenue, although the percentage is likely to be higher this year. PI Tax receipts are reported Net-of-Personal Income Tax refunds. Net Personal Income Tax is comprised of PI Withholding Tax, PI Estimated Payments, PI Refunds Paid, and PI Other. Net PI Receipts for May were \$37.92 million against a monthly target of \$28.38 million, or +33.61%. The year to date Net PI Receipts

were \$600.86 million or +7.47% above the FY 2013 target and +11.77% ahead of the results for the same period of the prior fiscal year (FY 2012).

Corporate Income Taxes are also reported net-of refunds. For the month of May, refunds exceeded payments resulting in negative receipts of -\$4.81 million as compared to the target of -\$0.93 million for the month. Year to date Corporate Income Tax receipts were \$81.93 million or +2.45% above target. Compared to the same period for the prior fiscal year (FY 2012), Corporate Income Tax receipts exceed the prior year by +14.42%.

Consumption tax results for May were mixed against target: Sales & Use Tax receipts of \$16.58 million were behind target by -\$0.50 million or -2.91%; while Rooms & Meals Tax receipts of \$8.61 million were above target by +\$0.65 million or +8.23%. Year to date, Sales & Use Tax receipts of \$211.96 million are -1.13% below the target of \$214.38 million. Cumulative Rooms & Meals Tax of \$125.57 million are ahead of target by +2.27%. Sales & Use Tax and Rooms & Meals Tax through May both exceed receipts for the prior year by +1.07% and +6.78%, respectively.

The remaining non-major tax components include Insurance, Inheritance & Estate Tax, Real Property Transfer Tax, and "Other" (which includes: Bank Franchise Tax, Telephone Tax, Liquor Tax, Beverage Tax, Fees, and Other Taxes). The results for the remaining non-major categories for May were as follows: Insurance Tax, \$6.86 million (-4.13%); Inheritance & Estate Tax, \$0.60 (-71.70%); Property Transfer Tax, \$0.88 million (+3.53%); and "Other", \$5.85 million (+23.62%). The fiscal year to date May results for the remaining non-major categories were: Insurance Tax, \$54.23 million (-6.66%); Inheritance & Estate Tax, \$14.77 million (-26.70%); Property Transfer Tax, \$8.22 million (+0.64%); and "Other", \$78.69 million (-3.66%). Cumulatively, the total non-major component receipts of \$155.90 million exceeded the prior year total by +\$6.52 million, or +4.36%.

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD			%
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	Change	
Personal Income	28.38	37.92	9.54	33.61%	559.11	600.86	41.75	7.47%	537.58	63.29	11.77%	
Sales & Use	17.08	16.58	-0.50	-2.91%	214.38	211.96	-2.43	-1.13%	209.70	2.25	1.07%	
Corporate	-0.93	-4.81	-3.88	416.69%	79.98	81.93	1.96	2.45%	71.61	10.32	14.42%	
Meals & Room	7.95	8.61	0.65	8.23%	122.78	125.57	2.79	2.27%	117.60	7.97	6.78%	
Insurance Premium	7.15	6.86	-0.30	-4.13%	58.11	54.23	-3.88	-6.66%	56.06	-1.82	-3.25%	
Inheritance & Estate	2.12	0.60	-1.52	-71.70%	20.14	14.77	-5.38	-26.70%	13.29	1.47	11.09%	
Real Prop. Transfer	0.85	0.88	0.03	3.53%	8.16	8.22	0.05	0.64%	6.96	1.26	18.03%	
Other	4.73	5.85	1.12	23.62%	81.68	78.69	-2.99	-3.66%	73.08	5.61	7.68%	
Total	67.34	72.48	5.15	7.64%	1144.35	1176.22	31.88	2.79%	1085.87	90.35	8.32%	

*Differences due to rounding

Transportation Fund

The non-dedicated Transportation Fund Revenue for May was also reported on by Secretary Spaulding. Total non-dedicated Transportation Fund receipts of \$21.53 million for the month exceeded the target by +\$0.80 million (+3.87%). Year to Date, non-dedicated Transportation Fund receipts of \$202.56 were -0.50% below the target of \$203.58 million. Compared to FY 2012, year to date May Transportation Funds receipts exceed the prior year by +\$3.89 million or +1.96% for the same period.

Individual Transportation Fund revenue receipts components for May were: Gasoline Tax, \$4.39 million or -1.04% below target; Diesel Tax, \$1.34 million or +7.69% ahead of target; Motor

Vehicle Purchase & Use Tax, \$5.32 million or +0.10% above target; Motor Vehicle Fees, \$8.93 million or +8.64% above target; and Other Fees, \$1.55 million or +2.48% above target for the month. Year to date results for the individual Transportation Fund revenue components for May were: Gasoline Tax, \$53.43 million or -1.34% below target; Diesel Tax, \$13.38 million or -2.07% below target; Motor Vehicle Purchase & Use Tax, \$48.98 million or +0.38% above target; Motor Vehicle Fees, \$69.67 million or -0.08% short of target; and Other Fees, \$17.11 million or -0.83% below the target.

Secretary Spaulding said, “As stated earlier, Transportation Fund receipts exceeded target for the second month in a row, although year to date they remain below target. Keep in mind that the increase in fuel taxes went into effect in May, but we will not begin to see collections from those increases until the June revenue receipts. We will wait to see if the increased gas tax will generate sufficient revenues to eliminate the year to date shortfall.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for May were \$1.65 million or +3.20% above the monthly target; year to date TIB Gas receipts were \$19.43 million or -0.55% below target. TIB Fund Diesel receipts for the month were \$0.16 million or -8.43% behind the monthly target; year to date TIB Diesel receipts were \$1.49 million or -8.80% below target. The year to date TIB Gas and Diesel results were +1.69% ahead and -11.33% behind the TIB Fund Gas receipts and TIB Diesel receipts, respectively, from the prior year (FY 2012). TIB Fund receipts are noted below the following table:

*Transportation Fund By Major Element (In Millions)**

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Gasoline	4.44	4.39	-0.05	-1.04%	54.15	53.43	-0.73	-1.34%	54.24	-0.81	-1.50%
Diesel Fuel	1.24	1.34	0.10	7.69%	13.66	13.38	-0.28	-2.07%	14.02	-0.65	-4.60%
MV Purchase & Use	5.32	5.32	0.01	0.10%	48.79	48.98	0.19	0.38%	48.29	0.69	1.42%
Motor Vehicle Fees	8.22	8.93	0.71	8.64%	69.73	69.67	-0.06	-0.08%	65.48	4.19	6.41%
Other	1.51	1.55	0.04	2.48%	17.25	17.11	-0.14	-0.83%	16.65	0.46	2.78%
Total	20.73	21.53	0.80	3.87%	203.58	202.56	-1.02	-0.50%	198.67	3.89	1.96%

Note:

TIB Fuel											
Fees/Gasoline	1.60	1.65	0.05	3.20%	19.54	19.43	-0.11	-0.55%	19.11	0.32	1.69%
TIB Fuel Fees/Diesel	0.17	0.16	-0.01	-8.43%	1.63	1.49	-0.14	-8.80%	1.68	-0.19	-11.33%

*Differences due to rounding

Education Fund

Secretary Spaulding also released the “non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund sources) today. The non-Property Tax Education Fund receipts for May totaled \$12.64 million, or -\$0.43 million (-3.29%) below the \$13.07 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$149.52 million, or -1.20% short of the year to date target. The individual Education Fund revenue component results for May were: Sales & Use Tax, \$8.29 million, or -2.91% below target; Motor Vehicle Purchase & Use Tax, \$2.66 million or +0.10%; Lottery Transfer, \$1.68 million or -10.38%; and Education Fund Interest for May was less than \$0.00 million against a target of less than \$0.01 million. Year to date receipts by component were: Sales & Use Tax, \$105.98 million, or -1.13% short of target; Motor Vehicle Purchase & Use Tax, \$24.49 million or +0.38%; Lottery Transfer, \$18.97 million or -3.56% below target; year to date Education Fund Interest was less than \$0.09 million against a target under \$0.09 million or -1.68%. As compared

to prior year, FY 2013 year to date non-Property Tax Education Fund receipts are +0.68% ahead of the FY 2012 results for the same period.

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				Fiscal YTD				Prior Fiscal YTD			%
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	Change	
Sales & Use	8.54	8.29	-0.25	-2.91%	107.19	105.98	-1.21	-1.13%	104.85	1.13	1.08%	
MV Purchase & Use	2.66	2.66	0.00	0.10%	24.40	24.49	0.09	0.38%	24.15	0.34	1.42%	
Lottery Transfer	1.87	1.68	-0.19	-10.38%	19.67	18.97	-0.70	-3.56%	19.47	-0.50	-2.56%	
Investment Income	0.00	0.01	0.01	-2306.50%	0.09	0.09	0.00	-1.68%	0.05	0.04	70.60%	
Total	13.07	12.64	-0.43	-3.29%	151.34	149.52	-1.82	-1.20%	148.51	1.01	0.68%	

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “Obviously, we are pleased about the strong revenue performance over the past few months, as it is another indicator of Vermont’s steadily improving economy. Cumulatively, FY 2013 General Fund receipts through May 2013 exceed collections for the same period last year by +\$90.35 million or +8.32%. On a more granular level, the main contributor to above projection tax collections is the personal income tax. A portion of that strong performance may be linked to calendar 2012 year end decisions in anticipation of federal tax changes and may well not repeat this year. Any surplus funds at the end of this fiscal year will be used to build reserves and lower property taxes.

Attachments

The detailed schedules of the May 2013 year to date revenue results comparing the current periods with last year follow.

Note: Minor differences in figures are due to rounding.

**Comparative Statement of Revenues
General Fund
As of May 31, 2013**

General Fund Schedule 2

	Total to Date	Total to Date	% of
	Last Year	This Year	Change
Taxes			
Personal Income	537,576,944	600,863,527	11.77%
Sales & Use	209,702,931	211,956,858	1.07%
Corporate	71,609,327	81,932,825	14.42%
Meals & Room	117,598,664	125,567,168	6.78%
Liquor & Wine	14,855,315	15,527,320	4.52%
Insurance Premium	56,056,018	54,231,716	-3.25%
Telephone Gross Receipts	208,063	203,498	-2.19%
Telephone Property	7,087,043	7,116,465	0.42%
Beverage	5,409,692	5,618,198	3.85%
Electric Generating	3,266,108	8,920,873	173.13%
Inheritance & Estate	13,291,437	14,765,283	11.09%
Real Property Transfer	6,961,461	8,215,744	18.02%
Bank Franchise	10,658,134	10,611,837	-0.43%
All Other Taxes	1,159,016	1,599,549	38.01%
Total Taxes	1,055,440,153	1,147,130,860	8.69%
Other Revenues			
Business Licenses	2,919,854	2,675,211	-8.38%
Fees	18,609,865	19,171,345	3.02%
Services	2,090,984	1,392,623	-33.40%
Fines, Forfeits & Penalties	4,566,879	3,954,443	-13.41%
Interest, Prem	269,001	292,688	8.81%
Special Assessments	0	0	0.00%
All Other Revenues	1,975,363	1,607,103	-18.64%
Total Other Revenues	30,431,946	29,093,413	-4.40%
Total General Fund	1,085,872,099	1,176,224,273	8.32%

Date: June 07, 2013

**Comparative Statement of Revenues
Transportation Fund
As of May 31, 2013**

T Fund Detail Schedule 2

	Total to Date	Total to Date	% of
	Last Year	This Year	Change
Non-Dedicated			
Taxes			
Gasoline	54,236,187	53,425,307	-1.50%
Diesel Fuel	14,020,150	13,374,854	-4.60%
MV Purchase & Use	<u>48,289,573</u>	<u>48,976,464</u>	1.42%
Total Taxes	<u>116,545,910</u>	<u>115,776,624</u>	-0.66%
Other Revenues			
Motor Vehicle Fees	65,479,353	69,672,946	6.40%
Other	<u>16,646,271</u>	<u>17,109,149</u>	2.78%
Total Other Revenues	<u>82,125,624</u>	<u>86,782,096</u>	5.67%
Total Non-Dedicated	<u>198,671,534</u>	<u>202,558,720</u>	1.96%
Dedicated			
Federal Aid	337,295,029	256,649,530	-23.91%
Infrastructure Bond Fund Revenue	20,788,573	20,922,896	0.65%
Other	<u>4,920,156</u>	<u>2,613,399</u>	-46.88%
Total Dedicated	<u>363,003,757</u>	<u>280,185,825</u>	-22.81%
Total Transportation Fund	<u><u>561,675,291</u></u>	<u><u>482,744,545</u></u>	-14.05%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: June 07, 2013

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of May 31, 2013**

Education Fund Schedule 2

	Total to Date Last Year	Total to Date This Year	% of Change
Non-Dedicated			
Estimated Revenues:			
Sales & Use	104,849,893	105,976,839	1.07%
Purchase & Use	24,144,787	24,488,232	1.42%
Lottery Transfer	19,466,544	18,967,046	-2.57%
Investment Income	50,082	85,057	69.84%
Total estimated revenues	148,511,305	149,517,174	0.68%
Other Revenues:			
Education Property Taxes	99,309,982	104,270,729	5.00%
Electric Energy Educ Prop Tax	1,068,977	0	-100.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	100,378,958	104,270,729	3.88%
Total Education Fund	248,890,263	253,787,903	2.0%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management